

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 9/13/2016	(3) CONTACT/PHONE Stephanie Fuhs, Planner/(805) 781-5721	
(4) SUBJECT Submittal of resolution approving a Notice of Cancellation of Covenant and Agreement Restricting Use of Property, and Agreement with Michael Ralph Oien and Julianna Christine Schmidt, Trustees of the Oien-Schmidt Family Trust. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the resolution and instruct the Chairperson to sign the Notice of Cancellation of Covenant and Agreement Restricting Use of Property, and Agreement with Michael Ralph Oien and Julianna Christine Schmidt, Trustees of the Oien-Schmidt Family Trust.			
(6) FUNDING SOURCE(S) Current Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) District 4			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Stephanie Fuhs, Planner

VIA: Ellen Carroll, Planning Manager/Environmental Coordinator

DATE: 9/13/2016

SUBJECT: Submittal of a resolution approving a Notice of Cancellation of Covenant and Agreement Restricting Use of Property, and Agreement with Michael Ralph Oien and Julianna Christine Schmidt, Trustees of the Oien-Schmidt Family Trust. District 4.

RECOMMENDATION

It is recommended that the Board adopt the resolution and instruct the Chairperson to sign the Notice of Cancellation of Covenant and Agreement Restricting Use of Property, and Agreement with Michael Ralph Oien and Julianna Christine Schmidt, Trustees of the Oien-Schmidt Family Trust.

DISCUSSION

Attached is a Notice of Cancellation of Cancellation of Covenant and Agreement Restricting Use of Property. The notice is being processed in order to allow the owner to cancel the covenant and agreement recorded against their property. The covenant and agreement requires that when a primary and secondary dwelling are located on a parcel, one of the units must be occupied by the owner of the property, per Land Use Ordinance standards (Section 22.30.470). The owner is trying to sell their property and the prospective buyer is a veteran of the United States military and has secured a loan through the United States Department of Veterans Affairs (the VA).

The FHA recently began interpreting its federal regulations so as to preclude the FHA from insuring loans on conveyance for single family housing on properties that include any form of legal restriction. The agreement also provides notification of the owner-occupancy requirements of the Land Use Ordinance, Section 22.30.470 to the future owners of the property. The owner-occupancy requirement continues to apply to the property notwithstanding the cancellation.

At this time, we believe this is unique to this property. Staff will be monitoring the situation to see if this may have a wider impact to the sales of other properties with second units and will advise the Board accordingly.

The notice is in connection with a building permit (B92-0900) for a second residential unit. This permit was issued on June 10, 2004 and finalized on November 3, 2004. The property is located at 1858 Lincoln Avenue, approximately three miles north of the community of Nipomo.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel prepared the Notice and approved the document as to form and legal effect.

FINANCIAL CONSIDERATIONS

None.

RESULTS

Approving and accepting the Notice of Cancellation of Covenant and Agreement Restricting the Use of Property will allow the current owner to sell their property and allow the new owner to receive funding through the FHA. The agreement also provides notification of the owner-occupancy requirements of the Land Use Ordinance, Section 22.30.470 to the future owners of the property. This is consistent with the County goal of providing a healthy and livable community.

ATTACHMENTS

Attachment 1 – Agreement
Attachment 2 – Vicinity Map
Attachment 3 – Resolution